

Keeping up with the Gateses

The world's leading philanthropists ask other tycoons to join their movement.

ONE of the unlikeliest books of last year was "Only the Super-Rich Can Save Us!", a fictional account by Ralph Nader, a veteran left-wing campaigner, of a movement of billionaires led by Warren Buffett and featuring, among others, Ted Turner, George Soros and Barry Diller, who use their fortunes to clean up America. This was not, as you might suppose, a satire but what Mr Nader called "an exercise in practical Utopianism". He even met Mr Buffett to urge him to take up the challenge.

Perhaps the Sage of Omaha, as Mr Buffett is known, was listening. On June 16th, with Bill Gates and his wife, Melinda, he launched a campaign to persuade America's billionaires to give away much of their fortunes. They are invited to take the "giving pledge" by writing a public letter promising to donate 50% or more of their wealth. Mr Buffett himself has written the first, which is published on a website, givingpledge.org. He says he will ultimately give away 99% of his wealth, most of which he has already pledged to the Bill & Melinda Gates Foundation. Although the letters will not be legally binding, they are intended to create a moral obligation which will be reinforced by peer pressure from others who take the pledge—a bit like members of Alcoholics Anonymous who promise to stay off the booze.

The idea took shape at a secret meeting in New York in May 2009, where Mr and Mrs Gates and Mr Buffett were joined by David Rockefeller, at 95 the elder statesman of philanthropy; Michael Bloomberg, the city's billionaire mayor; Mr Turner; Mr Soros; and Oprah Winfrey, among others. It was refined over subsequent dinners in New York and San Francisco.

Since giving up his day job running Microsoft to work full-time at his foundation, Mr Gates has turned into an evangelist for giving, both by the wealthy and the broader public. Just as he sought out Mr Rockefeller for advice when he began giving on a large scale a decade ago, would-be philanthropists are now turning to Mr Gates. They include the new rich from the developing world. Mr Gates has hosted dinners in China and India, and predicts that India will become second only to America in its high-end philanthropy.

One carrot for those who take the pledge will be an invitation to what is expected to be an annual "Great Givers" summit. Although Mr and Mrs Gates and Mr Buffett say they have no agenda other than encouraging giving, it would be surprising if the summit did not look at how to be an effective giver. The Gates Foundation has an obsession with achieving demonstrable change with its money.

The new campaign comes at an interesting time for the rich in America. Thanks to Wall Street's leading role in causing the economic downturn, bashing wealthy businesspeople is back in fashion. Even Mr Buffett has been given a tough time over his investment in Moody's, a credit-rating firm that approved lots of dodgy mortgage securities. There is every chance of higher taxes, though due to the oddities of George Bush's tax reforms, for 2010 only America has no inheritance tax (making this, in the words of Mr Gates's father, an advocate of inheritance tax, "throw momma from the train year").

The financial crisis also caused many wealthy people to slow down their giving, though their financial health has bounced back far more than that of the average American family. So far, four other tycoons (all well-known philanthropists) have publicly agreed to take the pledge: Eli Broad, a Los Angeles billionaire; John Doerr, a Silicon Valley venture capitalist; John Morgridge, a former boss of Cisco Systems; and Gerry Lenfest, a media entrepreneur. More are promised.

Mr Gates reckons that only about 15% of the wealthy currently give away large amounts of their fortunes. Half of the total net worth of the American billionaires on the 2009 Forbes 400 list is over \$600 billion. So there is plenty to play for.

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